

Senate File 2207 - Introduced

SENATE FILE 2207

BY CHAPMAN

A BILL FOR

1 An Act restricting certain city utility boards from approving
2 payment of bonus compensation to specified officers of the
3 city utility, and including effective date and retroactive
4 applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 388.5, Code 2016, is amended to read as
2 follows:

3 **388.5 Control of tax revenues.**

4 1. A utility board shall control tax revenues allocated to
5 the city utility, city utilities, or combined utility system it
6 administers and all moneys derived from the operation of the
7 city utility, city utilities, or combined utility system, the
8 sale of utility property, interest on investments, or from any
9 other source related to the city utility, city utilities, or
10 combined utility system.

11 2. All city utility moneys received must be held in a
12 separate utility fund, with a separate account or accounts
13 for each city utility or combined utility system. If a board
14 administers a municipal utility or combined utility system,
15 moneys may be paid out of that utility account only at the
16 direction of the board.

17 3. a. The utility board of a city utility, city utilities,
18 or combined utility system that provides water service shall
19 not in any fiscal year approve the payment of bonuses, in any
20 form, totaling more than one hundred dollars to the chief
21 executive, executive director, general manager, or equivalent
22 officer of the city utility, city utilities, or combined
23 utility system if the board has, pursuant to section 384.84,
24 increased water utility rates by more than one-fourth of
25 one percent in that fiscal year or in any of the previous
26 five fiscal years. All contract provisions, promises,
27 and agreements made by the board of any city utility, city
28 utilities, or combined utility system to or with any such
29 officer that is inconsistent with or contrary to the provisions
30 of this subsection shall be null and void.

31 b. This subsection applies only to the utility boards of
32 any city utility, city utilities, or combined utility system
33 that provides water service to a city having more than one
34 hundred seventy-five thousand population, as shown by the most
35 recent federal decennial census.

1 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
2 immediate importance, takes effect upon enactment.

3 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
4 retroactively to fiscal years commencing on or after July 1,
5 2015.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with
8 the explanation's substance by the members of the general assembly.

9 This bill restricts certain city utility boards from
10 approving payment of bonuses to a specified officer of the city
11 utility.

12 Under the bill, the utility board of a city utility, city
13 utilities, or combined utility system that provides water
14 service to a city with a population greater than 175,000 is
15 prohibited from approving payment of bonuses, in any form,
16 exceeding \$100 in any one fiscal year to the utility's chief
17 executive, executive director, general manager, or equivalent
18 officer, if the board has increased water utility rates by more
19 than 0.25 percent in that fiscal year or in any of the previous
20 five fiscal years. The bill provides that all contract
21 provisions, promises, and agreements made by a utility board
22 to or with any such officer approving such a bonus payment are
23 null and void.

24 The bill takes effect upon enactment and applies
25 retroactively to fiscal years commencing on or after July 1,
26 2015.